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NORTH SHORE RAILWAY OF CANADA.



A BRIEF SKETCH

OF ITS COMMERCIAL RELATIONS AND FINANCIAL PROSPECTS.

By the Hon. JOHN YOUNG,

LATE COMMISSIONER OF PUBLIC WORKS, AND PRESIDENT OF THE
DOMINION BOARD OF TRADE OF CANADA.

WILLIAM B. E. BROWN
MONTREAL

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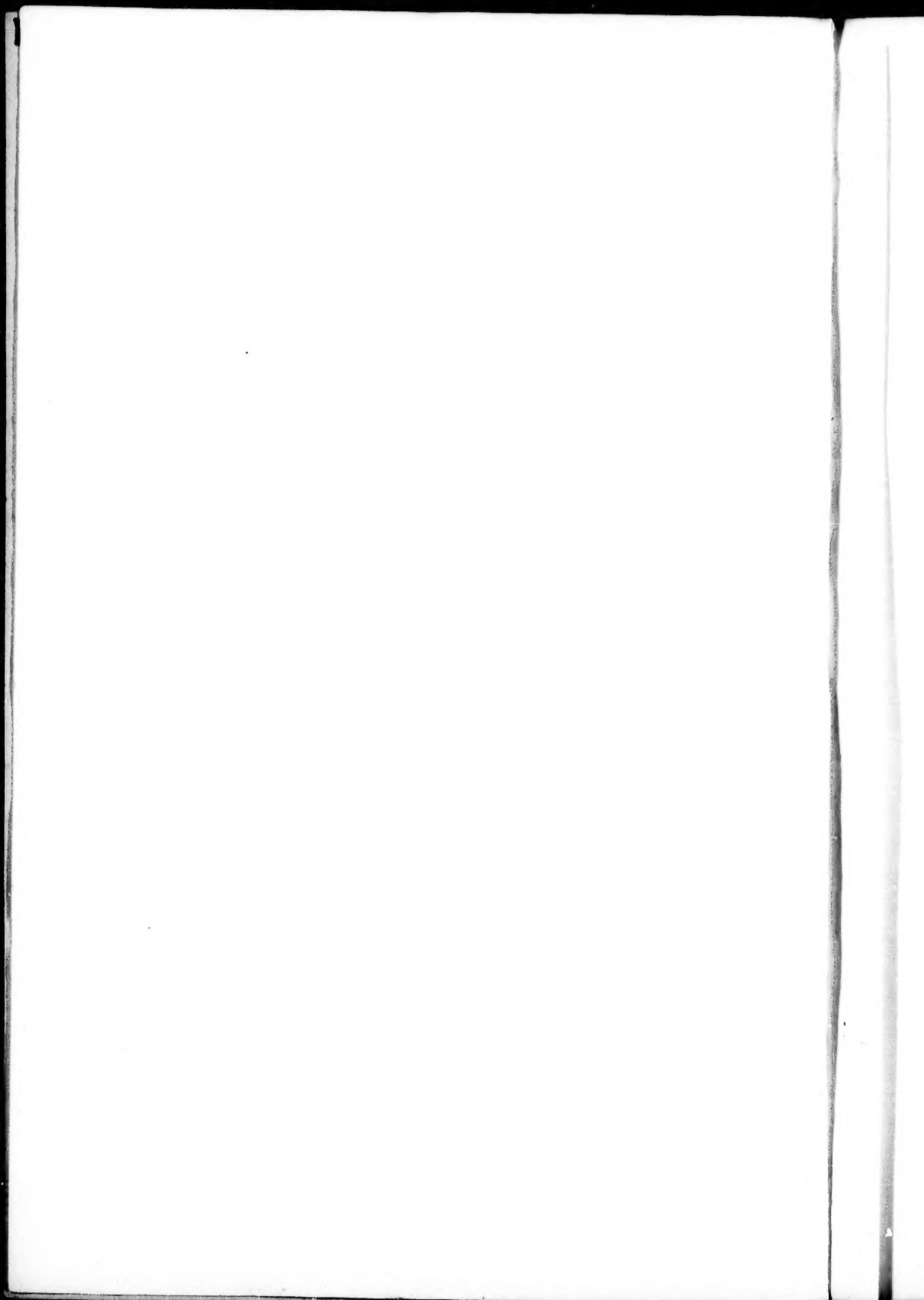
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NORTH SHORE RAILWAY OF CANADA.

The following correspondence between the Hon. JOSEPH CAUCHON, President of the North Shore Railway Company, and also President of the Senate of the Dominion of Canada, and the Hon. JOHN YOUNG, formerly Commissioner of Public Works, and late President of the Dominion Board of Trade, will shew the estimate placed upon the value, and future financial success of this important enterprise, by one of the most far seeing and enlightened men of Canada.

Mr. YOUNG has long occupied a prominent position, not only in the Government of the Dominion, but also in connection with all the important works of internal improvement which have had a tendency to develop the resources of Canada and the great west of the United States. His opinions, therefore, have come to be regarded both in America and Europe as the most reliable authority that can be obtained upon such subjects.



NORTH SHORE RAILWAY OF CANADA.

*Letter from the President of the North Shore Railway
Company to the Honorable John Young, of Montreal,
asking for his opinion respecting the value of the
securities of the Company.*

OFFICE OF THE NORTH SHORE RAILWAY COMPANY.

QUEBEC, April 6th, 1872.

The Honorable
JOHN YOUNG,
Montreal.

DEAR SIR,

This Company has recently closed a Contract, with parties of known experience and responsibility, for the construction and equipment of the main line of its Railway, extending from the City of Quebec to the City of

Montreal, a distance of one hundred and sixty miles ; and also of the Piles Branch, extending from the town of Three Rivers up the Valley of the St. Maurice River to the Grand Piles, a distance of about thirty miles. The St. Maurice River is now navigable above the Grand Piles, a distance of about seventy miles ; and with some slight improvements the navigation can be extended from fifty to seventy-five miles further.

The total length of the main line and branch will be about one hundred and ninety miles. The Railway is to be fully completed and equipped on or before December 1st, 1875. Every thing is to be first class in all respects, and sufficiently ample to perform all the business that may be brought to the Road.

The entire cost of Railway and equipments, including Right of Way, Machine Shops, Depots, Engineering and all contingencies, will be seven million dollars, or an average of thirty-six thousand eight hundred and forty-two dollars per mile.

Of this amount the City of Quebec has suscribed one million dollars to the stock of the Company, payable as the work progresses, for which the City issues permanent consolidated stock certificates, bearing seven per cent interest.

The remaining six million dollars are provided by an issue of seven per cent mortgage bonds, which are to be a first lien upon the Railway and franchises of the Company ; and also upon two million acres of land donated to the Company by Act chapter XXI of the Legislature of Quebec, passed Dec. 24th, 1870, a copy of which is herewith enclosed. These lands are embraced in four separate blocks or parcels which are designated upon the accompanying map, and marked respectively block A, B, C & D.

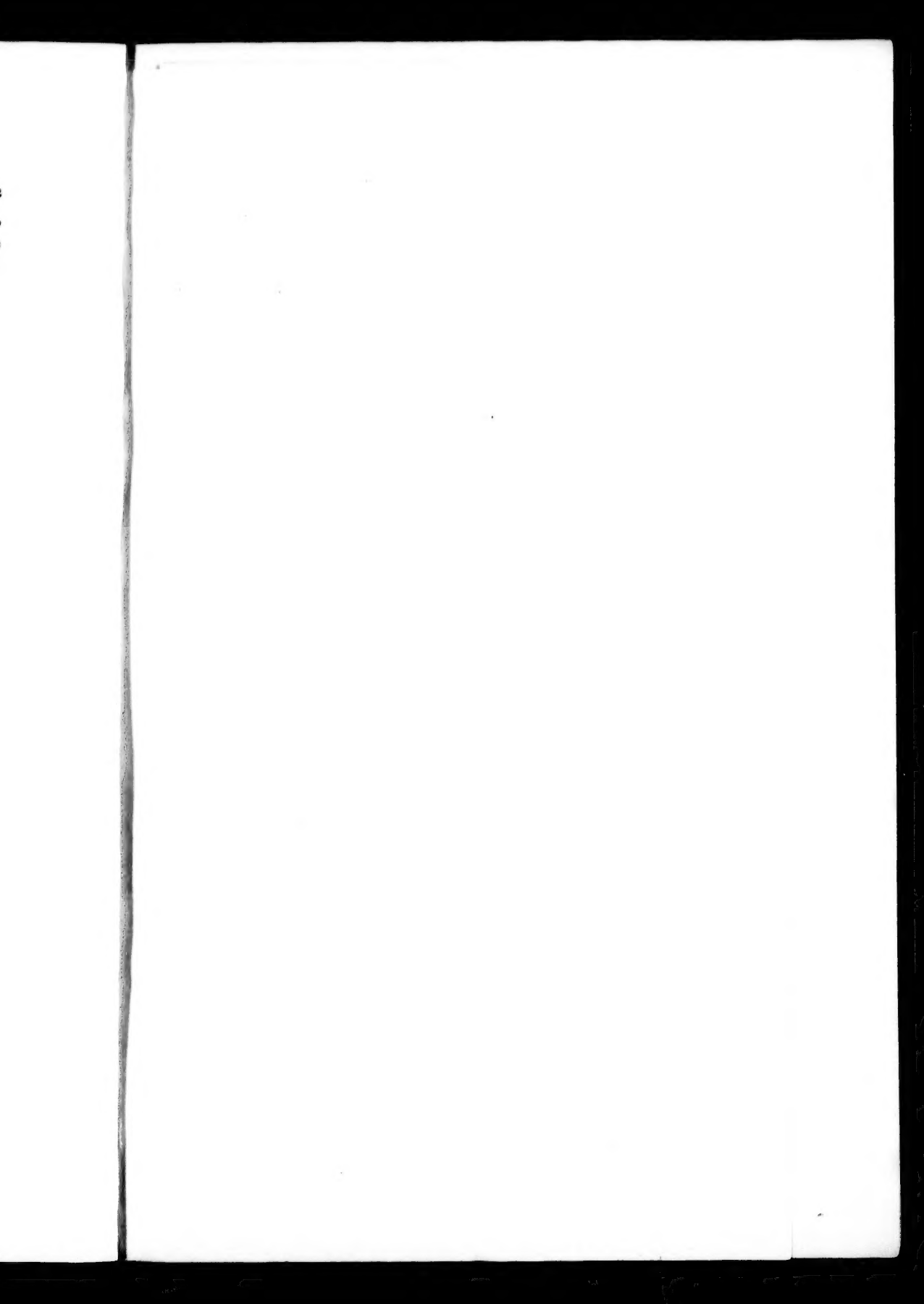
In negotiating the securities of the City of Quebec, as well as those of the Railway Company, it becomes a matter of the first importance to satisfy capitalists, both at home and abroad, that the basis upon which they are issued is perfectly sound, and sufficiently ample to secure, beyond a question, the prompt payment of both the interest and the principal at maturity.

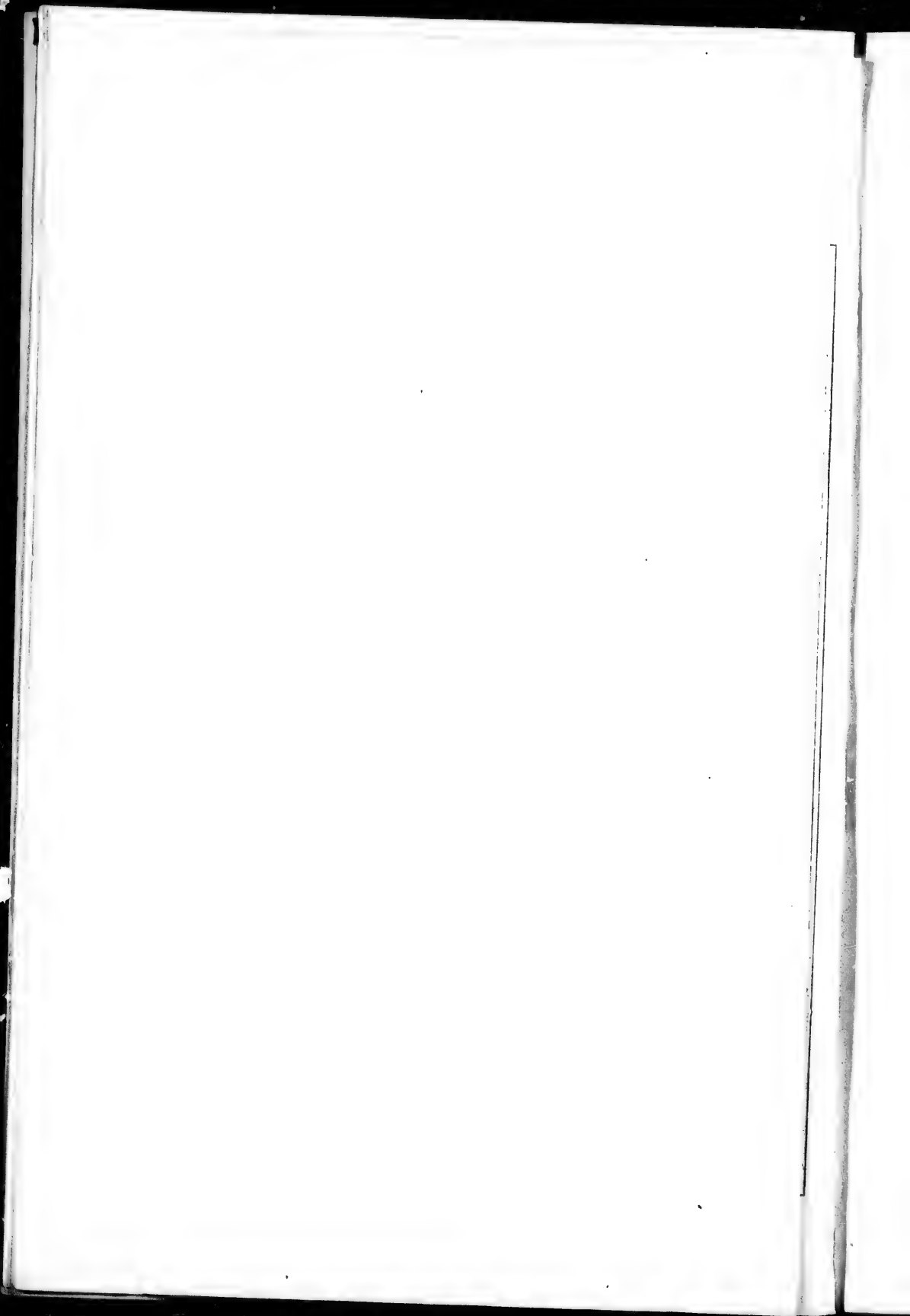
Your long and intimate knowledge of the trade and resources of the Cities of Quebec and Montreal, as well as of the intermediate Towns, Counties and Parishes, which are traversed by the Railway ; and your great familiarity with the railway and other traffic of the Dominion of Canada, and the United States,—and also your knowledge of the present and prospective value of the lands granted by the Government in aid of this Railway, both as regards their timber product, and their availability for settlement and agricultural purposes, induce me to solicit your written opinion, as to whether the local business of the Railway between the Cities of Quebec and Montreal ; together with its probable through business, when considered in connection with the early completion of the Northern Colonization Railway from Montreal to Ottawa and Pembroke, and the Canada Central Railway to Toronto and the Georgian Bay, and also to a junction with the Northern Pacific Railway of the United States at the Sault Ste Marie, and with the Pacific Railway of Canada, the early completion of all which cannot be regarded as being very far in the future. And also when considered in connection with its junction at the city of Quebec, with the head of deep ocean navigation upon the St. Lawrence River, and also with the Grand Trunk Railway extending from Quebec to River du Loup, and there connecting with the Intercolonial Railway now nearly completed ; and also with a line of Railways now under construction, upon the most direct route, across the country from Quebec to

Portland, Halifax and other harbors upon the Atlantic Coast. Whether, in consideration of all these advantages, the earnings of the Railway, taken in connection with the value of the lands, may, in your opinion, be regarded as forming such a basis for the securities of the Company, as should give them currency among capitalists who are seeking for a first class investment.

I have the honor to be very respectfully,
Your obt. servant,

JOSEPH CAUCHON,
Prest. N. S. Railway Co.





A BRIEF SKETCH
OF THE COMMERCIAL RELATIONS AND FINANCIAL
PROSPECTS OF THE
NORTH SHORE RAILWAY OF CANADA.

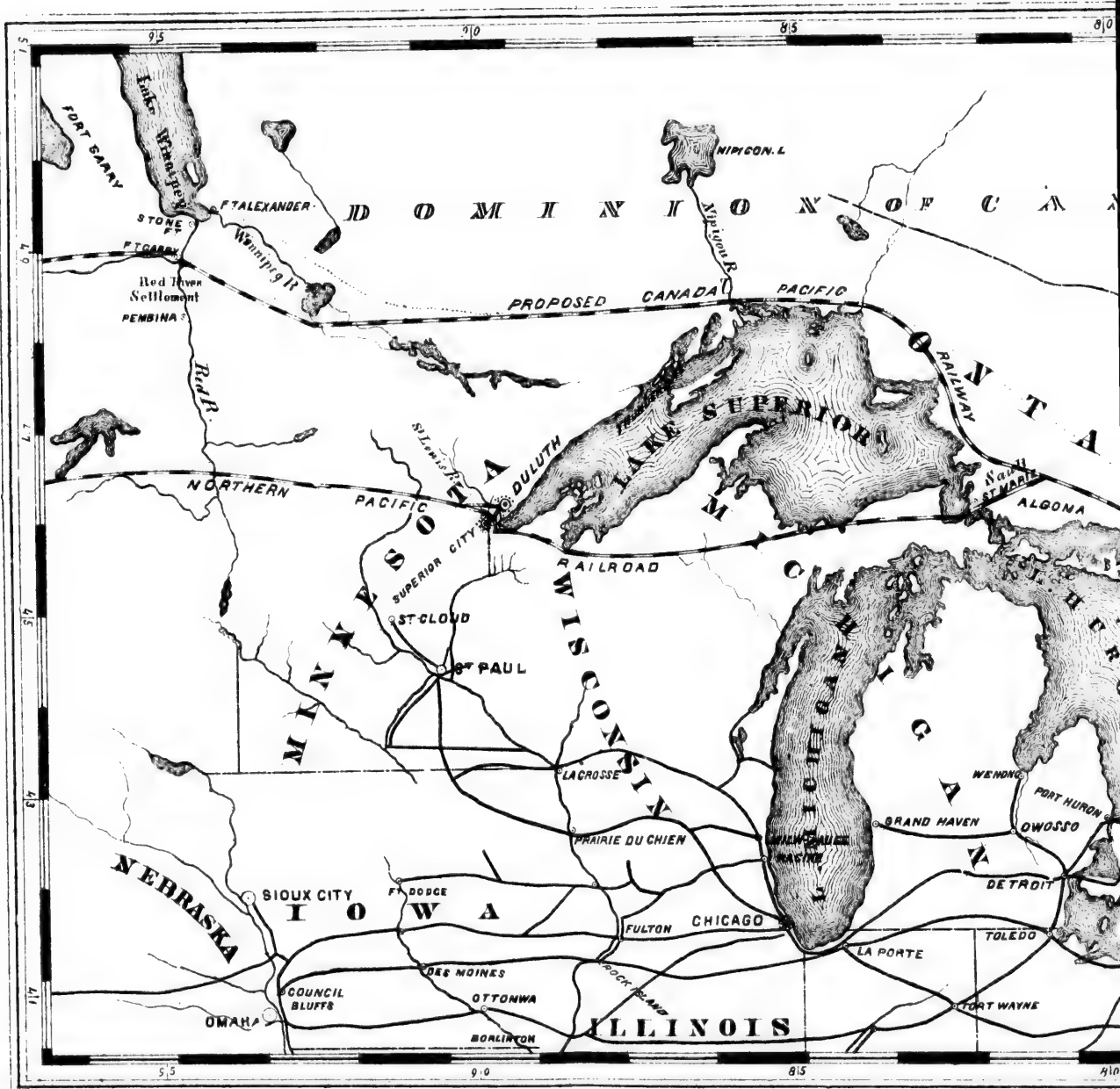
MR. YOUNG'S REPLY.

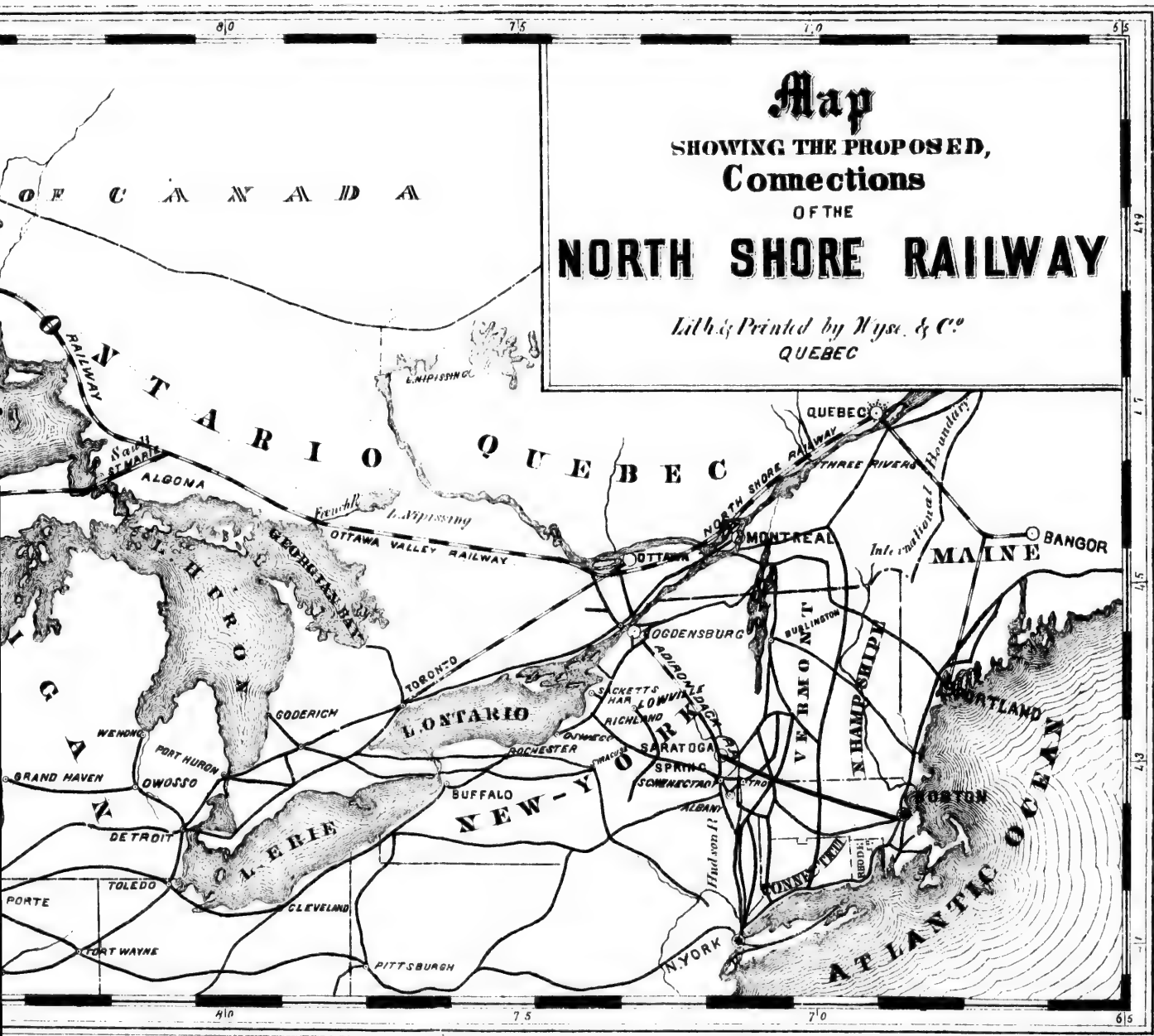
MONTREAL, 10th April, 1872.

To the Honorable
JOSEPH CAUCHON, M. P.,
President North Shore Railway Co.,
Quebec.

SIR,

I am in receipt of your letter of 6th inst., in which you state, that from my long and intimate knowledge of the trade and resources of the Cities of Quebec and Montreal, as well as of intermediate Towns, Counties and Parishes ; you are desirous of obtaining from me an expression of my opinion as to the business, which will be





Map
SHOWING THE PROPOSED,
Connections
OF THE
NORTH SHORE RAILWAY
Lith & Printed by Wyse & Co
QUEBEC

attracted to the North Shore Railway between Quebec and Montreal, and to the value of the pine lands, granted by the Government of Quebec by the act passed December, 24, 1870, in aid of that enterprise.

Having long been in favor of the construction of your railway, I have much pleasure in briefly stating my reasons for believing that it will prove a commercial success.

At present there is no railway on the north side of the St. Lawrence, below Montreal, and the only railway on the north side of the Ottawa river is that of 12 miles, connecting the villages of Carillon and Grenville. On the south shore of the St. Lawrence, the "Grand Trunk" Railway extends from Rivière du Loup, 130 miles below Quebec, crossing the St. Lawrence to Montreal by the Victoria Bridge and extending thence to Sarnia, on the river St. Clair, near Detroit. This with the extension to Island Pond, *via* Richmond, on the Portland route, makes the distance worked by that company 1377 miles. The Great Western runs from Toronto to Windsor, opposite Detroit, a distance of 350 miles. A branch extends from the Grand Trunk, at Prescott, to Ottawa, of 52 miles, another from Brockville to the Ottawa River at Sand Point, and a branch also extends from Toronto to Collingwood, on Georgian Bay, a distance of 97 miles. These are the principal lines now existing in Canada, but the Intercolonial Railway from Rivière du Loup is now being constructed to extend from that point to Halifax, a distance of 685 miles from Quebec.

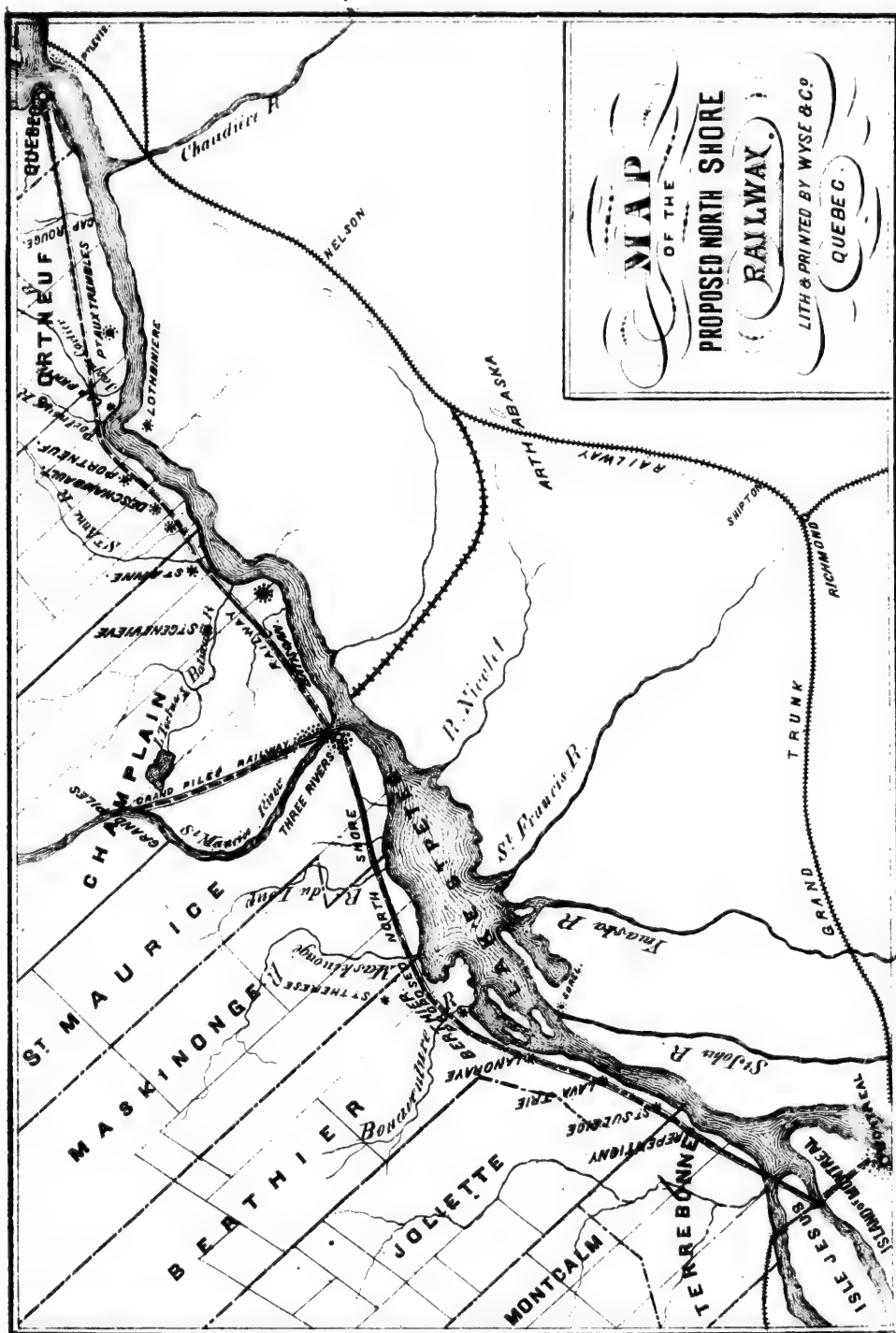
Before alluding to the position of your road, or its power to compete for Western Canadian and Western States trade, I shall glance at the traffic in freight and passengers, which is likely to pass over it, between the Cities of Quebec and Montreal.

The population of the former is 62,000 and of the latter in round numbers 120,000. The distance between the two cities by your railway will be 160 miles. The grades on

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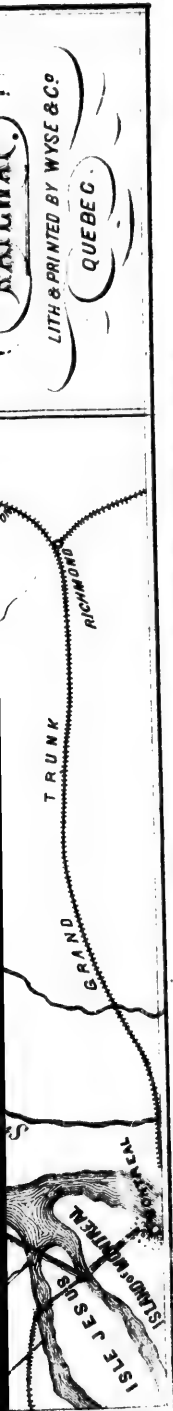
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QUEBEC.



the road, will be superior to any on the Continent. The distance by the Grand Trunk from the Bonaventure Station, in Montreal, to Quebec, *via* Richmond, is 180 miles. The time between the two cities is increased by the necessity of changing at Point Levis, from the Railway to the Ferry-Boat, which carries the passengers and freight to Quebec, and this difficulty is greatly increased during the winter months. With an average speed of 20 miles an hour, the difference in time will be one hour and a half in favour of the route on the North Shore, and this independent of the detention at Richmond, which frequently results from not connecting with the Eastern Trains to and from Portland. Supposing the line laid with heavy steel rails, there will be no difficulty in making the average speed 28 miles per hour, including stoppages, which would be $5\frac{1}{4}$ hours between Quebec and Montreal. No change of cars being necessary, there would be the same successful competition with the passenger Steamers on the St. Lawrence during navigation, as has resulted from the competition of the railway with the Steamers navigating the Hudson between Albany and New-York. The travel between Quebec and Montreal during the season of navigation is greatly increased by tourists from the United States. The number of first class passengers carried by the Richelieu Company's Steamers during last year exceeded 26,000, and about 38,000 of second class. The best proof of the value of such travel is, that the Stock of this Company, originally \$100 per share, was increased to 200, yet on this doubled value it cannot be purchased at less than 180. Was your road completed, and the time occupied only $5\frac{1}{4}$ to 6 hours, instead of 13 hours by the Steamer, there can be no doubt that a large and profitable business would be done.

Independent of this business, and between the two cities, there is the local traffic. Three Rivers, half way between Quebec and Montreal, has a population of 7,000.



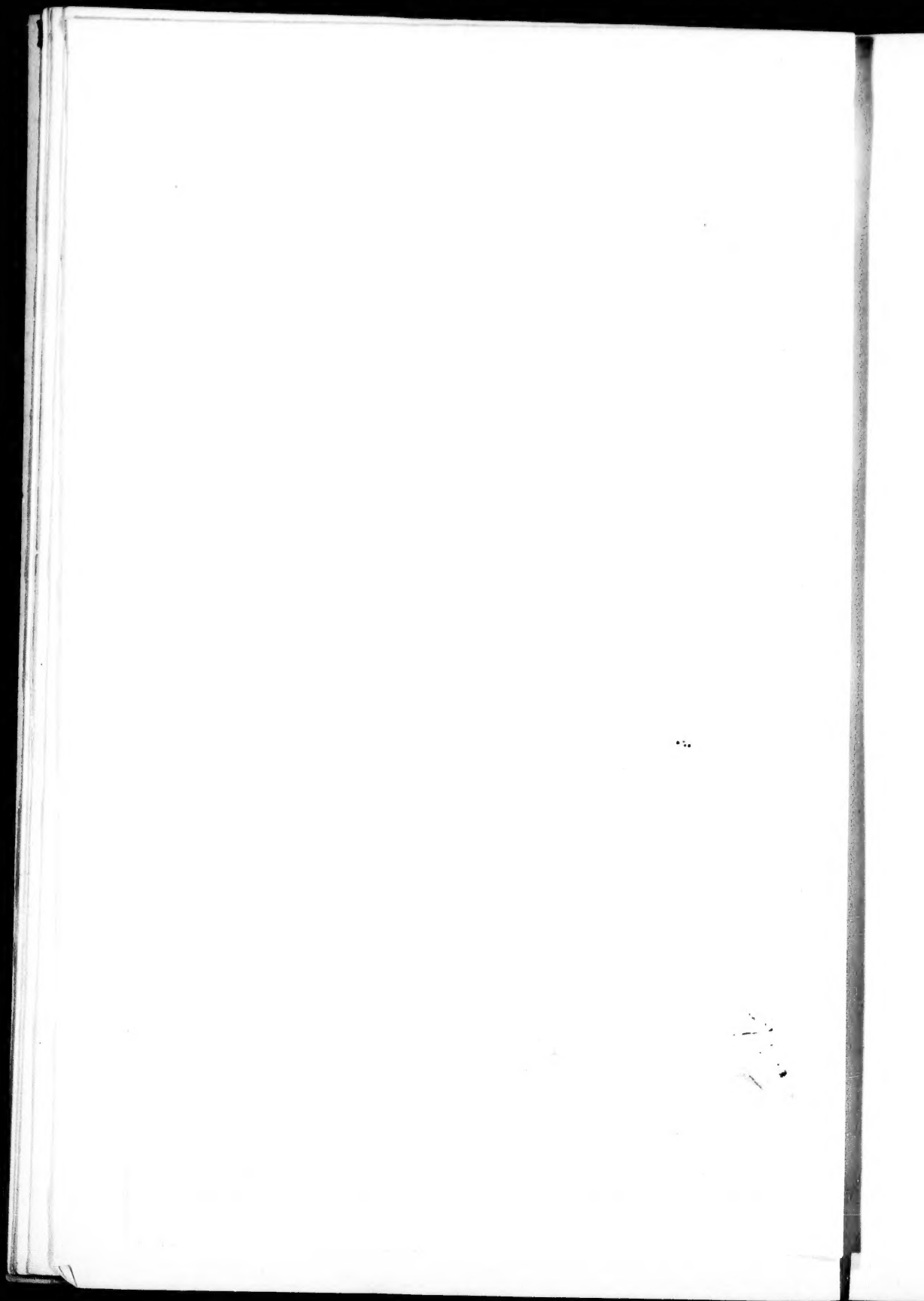
It is situated at the mouth of the St. Maurice river, which drains a vast territory, covered with forests of pine and other woods. Very large deposits of Iron exist on it, some of which are being successfully worked, besides other mineral deposits. The population is rapidly on the increase, and when the branch railway is made to the Piles, and Steamers placed on the river above the Piles, navigable with slight improvements for 140 miles, a great impulse will be given to the trade of this region; and deals and lumber will then be carried, at a less cost of transport by rail from the mills in the interior to Quebec, than at present. Berthier is the next largest Town on the route, while St. Annes, Champlain, Portneuf, Maskinongé, l'Assomption, Rawdon, Industrie, Terrebonne, St. Therese and St. Jerome, will all be feeders to the road in freight and passengers.

Such are some of the facts in connection with your railway, and the position of Quebec.

I have stated that the distance to Halifax, by the Intercolonial Railway from Quebec will be 685 miles, but a road is now being surveyed from Point Levis to Bangor, in Maine, of which 30 miles are already built, which will give a connection with Halifax 230 miles less than by the Intercolonial, and 40 miles less to Portland, than by the Grand Trunk.

I would now direct your attention, as to the position of your road for attracting passengers and freight traffic from Western Canada and the Western States. Montreal has lately passed a by-law to be confirmed by the people, granting one million of dollars to the Northern Colonization Railway, to connect with yours at Montreal, and to be extended to Pembroke on the Upper Ottawa. A charter has been granted by the Dominion Parliament to extend it thence to the Sault Ste. Marie, at the eastern end of Lake Superior. The Northern Pacific Railway is now built from Duluth, at the western end of Lake Superior, to





St. Croix, on the upper Mississippi. From the latter place it is now connected with St. Paul, and will be extended rapidly to within 40 miles of Fort Garry. It is difficult if not almost impossible to build a railway north of Lake Superior, but every facility is offered in low grades, and a straight line, to construct a railway from Sault St. Marie, through Michigan and Wisconsin on the south side of the Lake to Duluth, and thus connect the Northern Pacific with your road and the other lines to the Sault St. Marie.

A glance at the map will shew that from those States, Minnesota, and others adjoining, it is almost a straight line to Montreal and Quebec. With a bridge across the Straits, freight and passengers can be carried from Duluth to Quebec, without shifting cars, on a 4 feet 8½ inch gauge railway, 300 miles shorter than by any other possible road from the head of Lake Superior to New York or Boston. This fact will have an important bearing on your enterprise, because cars can thus be brought from Michigan, Wisconsin and Minnesota, without requiring change or breaking bulk to Quebec, a Sea Port 480 miles nearer Liverpool than New York, a Port too, accessible from Sea for ships like the "Great Eastern," without obstructions of any kind.

When the Pacific Railway is completed from Duluth, and connected with your North Shore road, it will be found that Quebec is 340 miles nearer the Pacific than by any other route, while its terminus on the Pacific will be 500 miles nearer Japan and China, than the Port of San Francisco. And I cannot doubt that this whole system of Northern and Western Railways will, at Quebec, or near it, be connected with the South Shore of the St. Lawrence by means of a Bridge adapted to railway transport, thus allowing cars to run from the Pacific *via* Quebec to any of the North Eastern ports of the Atlantic, without breaking bulk.

Again, a road is now projected and will be speedily built from Toronto on a direct line, to connect with your road on the Ottawa, near the capital. This line will bring the trade of Toronto, Hamilton, Detroit, Chicago, &c., to Quebec, on a uniform gauge, and by a route 15 miles shorter than by the present route on the Grand Trunk Railway. It is difficult to estimate the importance of this projected line, in the interests of your railway. Freight of all kinds, can then come to Quebec without any transshipment and be placed on board of the Ocean ships; while in-bound freight can, on arrival, be at once placed on the cars and taken to Toronto and other places west, or can be taken by Sault St. Marie and delivered in the more Northern States of Michigan, Wisconsin and Minnesota, or to Manitoba, and the Pacific. When this route is opened it will become the best for Emigrants, for on arrival at Quebec, they can at once proceed to their destination, without change of cars.

The largest possible improvements of the water communication with the Western Lakes, will not prove inimical to the parallel railways. On the contrary, the success of the Canadian railways will largely depend on the superiority of the water routes. While the St. Lawrence Canals, in 1870, only attracted 15% of the Western trade, the Erie Canal, through the State of New York got 85%. Yet the great double track roads parallel with the canal are the most successful on the Continent. The railway has a salutary influence on trade from its superior capacity for carrying passengers, live stock, light and valuable goods, and such as require quick and rapid transport. In this way it confers a benefit on the interest of parallel navigation whether natural or artificial.

I find that besides the million of dollars granted by the City of Quebec, in aid of your enterprise, which is equal to Gold; your company has received a donation of two

million acres of timber lands from the Government of Quebec, by an Act of the Legislature, passed 24th December, 1870. Those lands are embraced in four separate Blocks, or parcels, and are described on the Map of Survey, as being covered with pine timber, and some with spruce and hard wood. Those lands are situated on the Upper Ottawa, on the Batiscan, St. Pierre and St. Maurice Rivers. In the present rapidly increasing value of all pine timber, and other soft woods, consequent on their decrease in Maine, New-Brunswick and Michigan, it would be difficult to place a value on such lands without a thorough exploration of the territory. From my knowledge of the matter, it will be safe to consider that *Four Dollars* per acre would be a very moderate estimate of their value; and this opinion will be fully born out by the fact that white pine at Quebec is now worth 25 cents per foot; as well as by the lawsuit lately decided of Thomson vs. Perkins, in which evidence was given, by practical men, that each pine tree on the Gatineau, near Buckingham, was worth Four Dollars, and judgment was rendered accordingly. It is now very evident that in consequence of the growing scarcity, the price will in a few years be much higher.

Wishing you every success, in your undertaking, and hoping that the road will be rapidly built.

I am Yours, very respectfully,

JOHN YOUNG,

Late Prest. of the Dominion Board of Trade.

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